

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE COMPLAINT OF MR. BOBBY)	
FLORA AND OTHERS AGAINST THE)	CASE NO. 8990
SOUTH WOODFORD COUNTY WATER)	
DISTRICT)	

O R D E R

On August 1, 1983, the Commission received a complaint from Mr. Bobby Flora regarding the minimum usage level and the minimum bill charged to customers served by South Woodford County Water District ("South Woodford") through 1-inch meters. Subsequently, during August and September of 1983, the Commission received a number of other complaints from customers served by South Woodford concerning this matter.

South Woodford requires its service meters to be 1 inch or larger for farm properties of 25 acres or more. South Woodford's rate schedule for each size meter connection allows a certain amount of water to be consumed in the minimum usage level. The 1-inch meter connection allows a usage of 10,000 gallons in the minimum usage block.

On March 13, 1984, the Commission issued an Order directing South Woodford to appear at a hearing on April 5, 1984, and show cause for the continuation of its meter size requirements and its method of billing for its farm

customers. On March 14, 1984, the Commission issued an Order directing South Woodford to give notice to its customers setting forth the date, time, place and purpose of the hearing and to include a statement to the effect that, should the Commission determine that its meter size requirements and billing method for farm customers are improper, a revenue deficiency could result, thereby resulting in a rate increase applicable to all of its customers. On April 5, 1984, a hearing was held in this matter at the Commission's offices in Frankfort, Kentucky. Representatives from South Woodford and several of its customers who had written letters of complaint attended the hearing. Neither South Woodford nor its customers were represented by an attorney.

FINDINGS IN THIS MATTER

The Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that:

1. South Woodford requires farm properties of 25 acres or more to be served through meters 1 inch or larger. The Commission is of the opinion that the size of a farm is not an appropriate basis for a meter size requirement and, further, that South Woodford's criteria for meter sizes should be based on anticipated water usage.

2. In Case No. 8762, dated June 15, 1983, An Application of South Woodford For An Adjustment of Rates Pursuant to the Alternative Procedure For Small Utilities, the

Commission approved a rate schedule that applied various usage levels for different size meter connections. The 1-inch connection allows a usage of 10,000 gallons in the minimum usage block and a minimum bill of \$21.75.

3. South Woodford's billing records indicate that it serves approximately 152 customers who are connected to 1-inch meters and approximately 112 of these customers use less than the minimum usage allowance.

4. By consolidating South Woodford's rate schedules into one to serve all customers, regardless of the size of the meter they are connected to, the customers presently being charged under the 5/8 x 3/4-inch rate may receive an increase in rates. These customers were notified of this possibility and have raised no objections.

5. South Woodford stated at the hearing that it had no objections to one rate schedule and one minimum bill which would be applicable to all customers.

6. South Woodford's customers who are connected to a 1-inch meter but consistently use less than the minimum usage allowance are subsidizing the other customers served by South Woodford. Therefore, the Commission should establish a single rate schedule with one minimum bill to be charged to all customers.

7. The consolidation of South Woodford's rate schedules will not result in operating revenues in excess of the revenue granted in Case No. 8762.

8. The rates in Appendix A are the fair, just and reasonable rates to be charged by South Woodford for water service rendered to its customers.

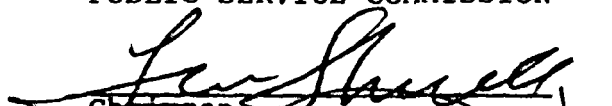


IT IS THEREFORE ORDERED that the rates in Appendix A be and they hereby are approved as the fair, just and reasonable rates to be charged by South Woodford effective on and after the next full billing cycle.

IT IS FURTHER ORDERED that South Woodford shall establish criteria for determining meter size in accordance with Finding No. 1 herein.

IT IS FURTHER ORDERED that South Woodford shall file with this Commission its revised tariff sheets setting out the rates approved herein within 30 days of the date of this Order.

Done at Frankfort, Kentucky, this 8th day of May, 1984.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8990 DATED MAY 8, 1984

The following rates are prescribed for customers in the area served by South Woodford Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES Monthly

First	2,000 gallons	\$8.60 Minimum Bill
Next	2,000 gallons	2.55 per 1,000 gallons
Next	6,000 gallons	1.75 per 1,000 gallons
Next	90,000 gallons	1.60 per 1,000 gallons
Over	100,000 gallons	1.40 per 1,000 gallons